

Transformation Overview



“Connecting People & Places in North Carolina”

Why Transformation

STRAIN OF EXTERNAL TRENDS

Growing Demand on System

- *Doubling of "Vehicle Miles Traveled" by 2030*
- *NC population projected to grow by 50% between 2000 and 2030, "7th most populous state by 2030"*

Increasing Cost of Supplies

- *80% construction supplies inflation since 2002*
- *Spike in global asphalt, cement, and steel prices expected to continue*

Declining Funding

- *State gas tax purchasing power has declined (inflation and mpg)*
- *Federal Highway Trust Fund program projected to run out of funding by 2009*
- *Transportation funding flat/declining for FY2008/09**

McKinsey Survey Findings

Strengths

- Change Commitment
- Financial Stability
- Technical Skills
- “Can Do Attitude”

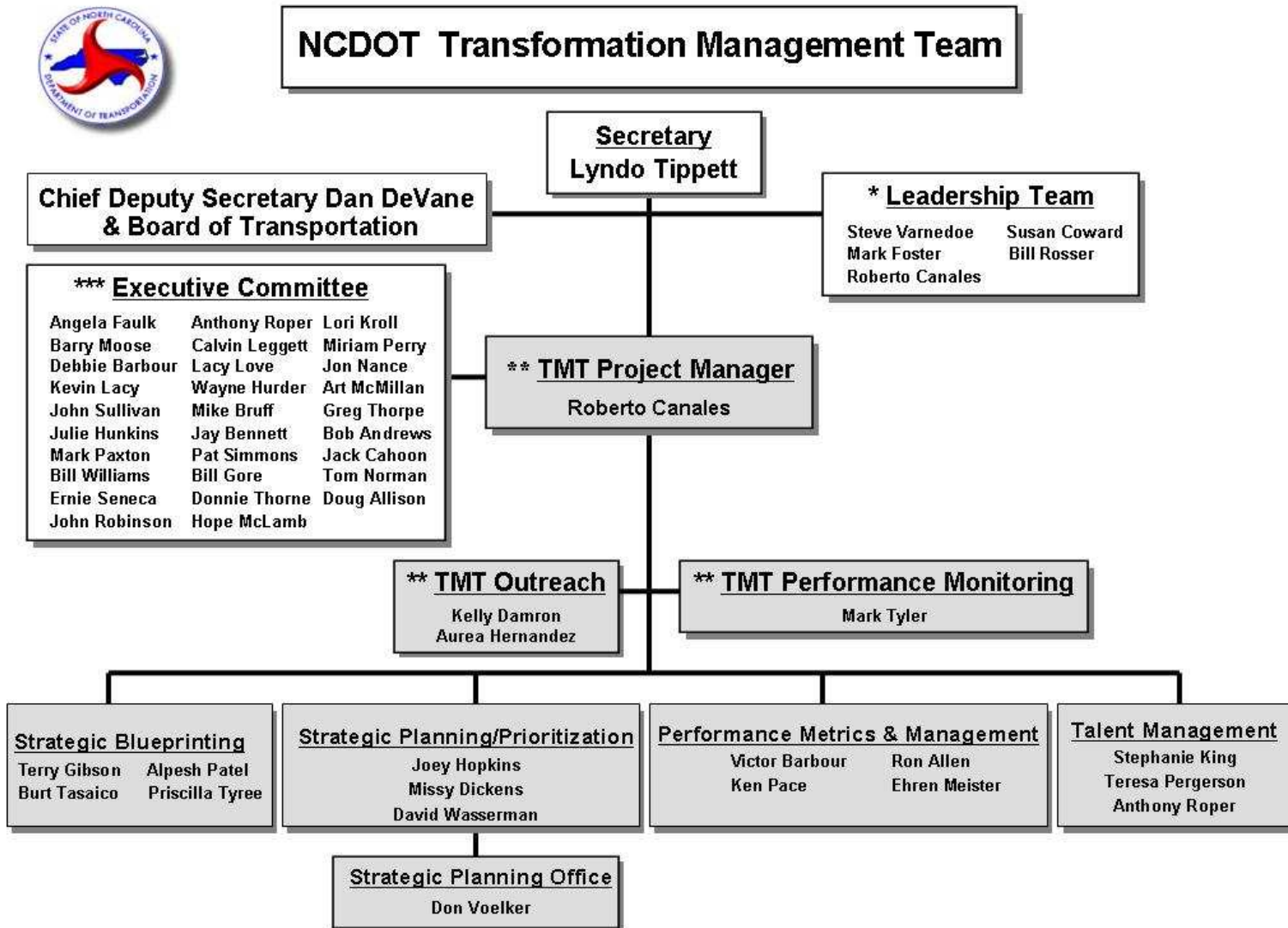
Shortcomings

- Organizational Structure...
Silo’ed and non-collaborative
- Failing “Talent System”
Recruit/Motivate/Develop
- Communication...
Not pro-active

Development Areas

- One Common Focused Direction
- Strategic in selecting Projects and Services
- Improve Prioritization, Accountability, and Coordination of Core Processes
- Telling our Story...the good that we do

NCDOT Transformation Management Team



* Leadership Team: Meets Weekly to Support, Review, Offer Comments and Guidance (5)

** TMT Project Office: Manages Day to Day Activities of the TMT (19)

*** Executive Committee: Meets at Milestones to Review Ideas and Offer Feedback (29)

■ Denotes Full Time TMT

06/05/08

Five Key Transformation Initiatives

Strategic Direction

Program and Project Delivery

Planning and Prioritization

Performance and Accountability

Improved Human Resource Mgt

Strategic Direction

Initiative 1



Working together for a common purpose ...



Mission, Goals and Values

NCDOT

OUR MISSION

*Connecting people and places
in North Carolina – safely and
efficiently, with accountability
and environmental sensitivity*

OUR GOALS

- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization **a great place to work**



OUR VALUES

- **SAFETY** - We strive for safety throughout our transportation networks as well as in our work and our daily lives.
- **CUSTOMER SERVICE** - We respond to our customers, both internal and external, in an open, professional and timely manner.
- **INTEGRITY** - We earn and maintain trust by responsibly managing the states assets, acting ethically, and holding ourselves accountable for our actions.
- **DIVERSITY** - We draw strength from our differences and work together in a spirit of teamwork and mutual respect.
- **QUALITY** - We pursue excellence in delivering our projects, programs, services and initiatives.



Delivering our projects, programs and services effectively on time and on budget...

Workstreams

- Bridge Program
- TIP Project Delivery
- Information Technology
- Inspector General
- DOT Policy
- Program/Project Delivery
 - Project STaRS
 - Centralized Consultant Service Acquisition
- Mobility
- Agreements
- Facilities Management
- Equipment
- Safety, Loss & Security
- Pavement Management
- Document Reproduction
- Marketing
- Transportation Planning
- Traffic Counts
- Americans With Disabilities Act

Process

- Create team (TMT + BU)
- Assess program
- Propose solutions
- Present to Leadership Team
- Implement improvements

Planning and Prioritization

Initiative 3



Planning and prioritizing our work.....

Steps in Strategic Planning Cycles

- | | |
|--|---|
| <ul style="list-style-type: none">• 8 Year Cycle (4 years) | <ul style="list-style-type: none">• Look at state's transportation issues and world around us• Re-evaluate mission, goals and values |
| <hr/> | |
| <ul style="list-style-type: none">• 2 Year Cycle | <ul style="list-style-type: none">• Chance for Business Units to share<ul style="list-style-type: none">– BU needs– Infrastructure needs• Prioritization is key |
| <hr/> | |
| <ul style="list-style-type: none">• 1 Year Cycle | <ul style="list-style-type: none">• Business Units to focus on their activities needed to accomplish mission and goals |



New Strategic Planning Office of Transportation (SPOT) Facilitates Process



*Measuring our performance
and reporting our successes...*



Access NCDOT Performance Dashboard

<http://www.ncdot.org/>

The screenshot shows the NCDOT website with the following elements:

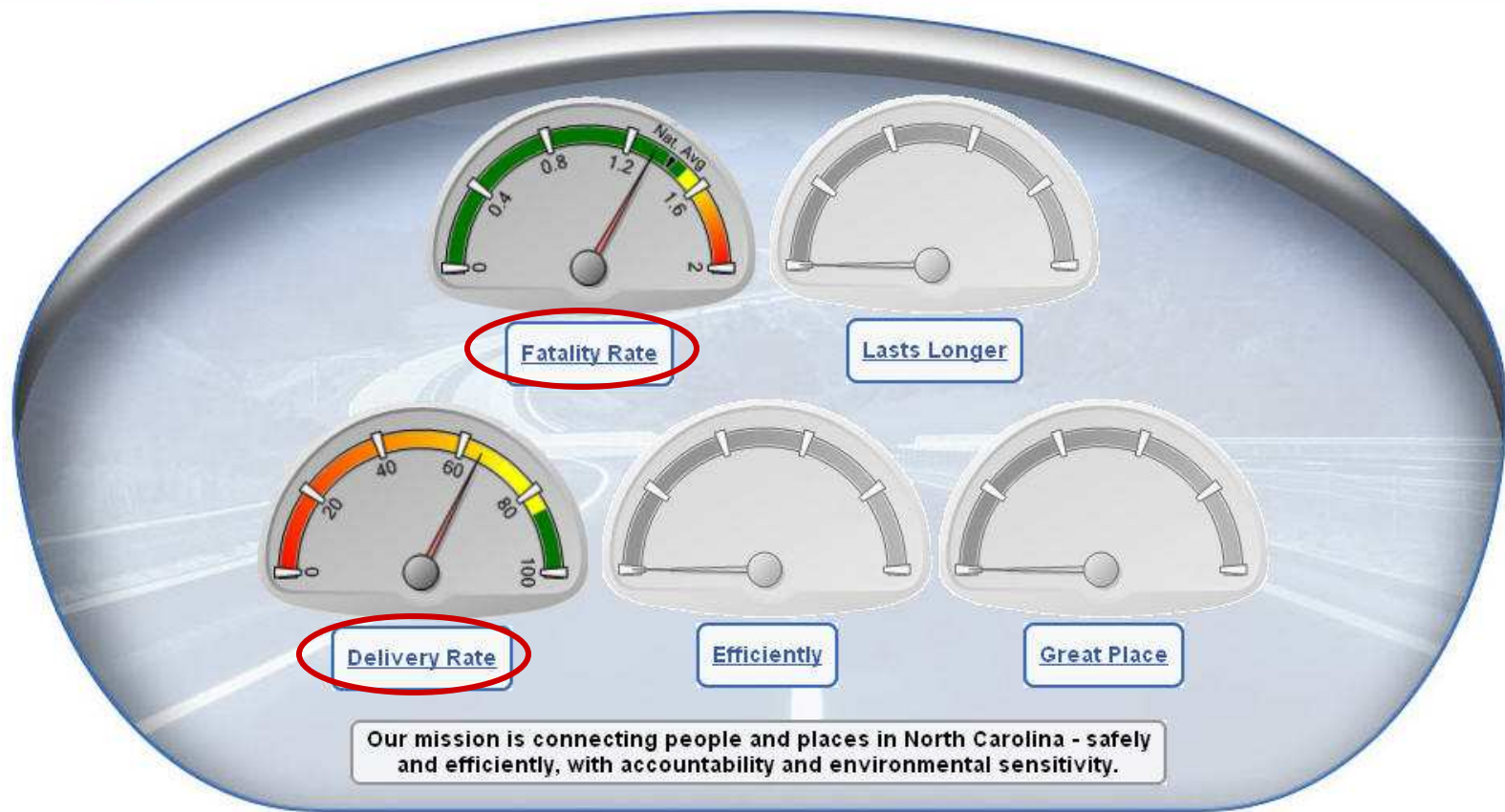
- Header:** NCDOT North Carolina Department of Transportation. Navigation links: About, Careers, Contact, News, Search. Search bar contains "NCDOT".
- Left Sidebar:** A vertical list of links: [Doing Business with NCDOT](#), [Maps & Publications](#), [Programs](#), [Projects & Studies](#), [Travel Information](#).
- Main Content Area:** A large banner for the "NCDOT Organizational Performance Dashboard" with the tagline "Connecting people and places in North Carolina." Below the banner is a navigation bar with "NCDOT Dashboard" and "1 / 19".
- Bottom Section:** Five columns of links:
 - What's New:** [NCDOT McKinsey Report](#), [2009-2015 State TIP](#), [NCDOT Ethics Policy](#).
 - Divisions:** [Aviation](#), [Bicycle & Pedestrian](#), [DMV](#), [Ferry](#), [Highways](#), [Public Transportation](#), [Rail](#).
 - Business Resources:** [Approved Product List](#), [Directory of Trans. Firms](#), [Electronic Forms](#), [Project Letting](#), [Order Plans](#), [Order Publications](#).
 - Commuters & Travelers:** [Construction Projects](#), [Driver License](#), [HOV Lanes](#), [Road Conditions](#), [Traffic Cameras](#).
 - Find Info Near You:** "Click the map for regional information or" followed by a map of North Carolina and a "Select-A-County" dropdown menu.

A red callout box with the text "Click this icon to access the NCDOT Dashboard" points to the NCDOT Dashboard icon in the "What's New" section.

NCDOT Performance Dashboard - Ultimate

Visual Representation of Overall Health of an Organization

NCDOT Organizational Performance Dashboard



[More information on NCDOT's transformation and organizational performance efforts.](#)

Click this link to get information that supports inactive gauges

“DRAFT” Metrics – Division Engineer

	METRIC	METRIC DEFINITION	TARGET	DATA SOURCE	SUB WT.	WT (%)
Safer	Crash Rate	Reduce 5 Yr. Division Avg. (Crash Rate per 100M VMT)	+/- % Division Rate	Traffic Eng.		5
	System Reliability		Composite			5
Efficiently	A) Incident Clearance (30%)	% of Incidents Cleared within Standard on Statewide Tier Only	70-85%	TIMS	1.5	
	B) Signal Timing and Maintenance (70%)	% of Signals Meeting Timing and Maintenance Standards	80-94%	Signal Management System	3.5	
	Infrastructure Health & Performance		Composite			40
Last Longer	A) Infrastructure Health (70%)	Improve Div. Index Score (3 year avg.) toward Statewide Goal of 77	+ / - 2 pts. Min. D on MCA and Pymt.	Asset Management	28	
	B) Facility Health (10%)	Division Avg. Condition Scores of Rest Areas and Welcome Centers	90-92	Asset Management/REU	4	
	C) Construction Quality (20%)	% of TIP & Centrally Let Projects Meeting Construction Quality Index Standard	70-85	Construction Unit	8	
	Programs/Projects/Services Meeting Standards		Composite			40
Works Well	A) Projects and Programs on Schedule (40%)	1) % Central Let Projects Completed on Time (40%)	70-85%	HICAMS	6.4	
		2) % Div. Let/Built Projects Completed on Time (30%)	70-85%	SAP	4.8	
		3) % TIP Preconstruction Activities on Time (30%)	70-85%	SAP/STARS	4.8	
	B) Projects and Programs on Budget (40%)	1) % Central Let Projects Meeting Budget Standard (40%)	70-85%	HICAMS, BWV	6.4	
		2) % Division Projects Meeting Budget Standard (25%)	70-85%	SAP BWV	4.0	
		3) % of Total Operations Budget Spent/Committed (35%)	85-97 103-105	SAP	5.6	
	C) Business Outreach (10%)	1) % Increase in Federal DBE Payout – 3 Yr. Avg. (35%)	+/- 10% Div Actual	SAP	1.4	
		2) % Increase in State MB/WB Payout – 3 Yr. Avg. (65%)	+/- 10% Div Actual	SAP	2.6	
	B) Erosion Control/Permit Compliance (10%)	Division Avg. Score for Construction and Maintenance Projects	7.5-8.8% - No NOV's & No More Than 2 Repeat ICA's	Asset Management	4.0	
Great Place to Work	Employee Safety	Division Employee Safety Index – 3 Yr. Average	9.75-9.96	Safety and Loss		10

Performance Expectations

The Old

- Provide leadership to ensure safety of DOT employees, contractors and public while delivering programs
- Identify and implement strategies to recruit, develop and retain employees
- Ensure project delivery is in compliance with DOT's environmental stewardship policy
- Provides informed management control

The New

- 1.50-1.75 crash rate
- 90-95% reliability on system strategic highway corridors and regional tier routes
- B- division infrastructure health
- 85-90% delivery on schedule and on budget
- 95% of business development and outreach goals met
- 80-90% customer service score

Improved Human Management

Initiative 5



***Recruiting,
retaining and
developing our
employees to
have the right
people with the
right set of skills
in the right jobs
at the right time
to accomplish
our mission...***

Talent Management Initiatives

- 1 Talent Management Strategist**
 - Assign responsibility to strategically plan for talent and capability needs in organization
- 2 Hiring Practices**
 - Identify alternatives to posting process
 - Streamline qualification and approval process
- 3 Employee Value Proposition**
 - Bring salaries closer to market
 - Identify attributes for attraction and retention of employees
- 4 Performance Review**
 - See sample PDA
- 5 Training**
 - Training Administrator to Identify training needs and assessment and development tools for new culture
- 6 Employee Career Tracks**
 - Define technical, functional and managerial career tracks
 - Define goals for role and career

Talent Management Initiatives (Continued)

- 7 Leadership Planning System**
 - Identify key leadership roles
 - Identify high potential employees and build capabilities to fill positions
- 8 Employee Engagement Survey**
 - Gauge employee satisfaction, motivation and commitment
 - Measure “Great Place to Work”
- 9 Recruitment Proposal**
 - Consider alternative approaches for Gen Y’ers, other skillsets and other types
- 10 Employee Orientation**
 - Provide a more positive, welcoming and value added on-boarding process
- 11 Institute Quick Wins**
 - Eliminate mandated vacancy rate
 - Reduce approval time for out of state travel
 - Allow alternative work schedules
 - Modify 10% salary cap
 - Reinstate mentorship programs
 - TEA and Female Mentorship 2008
 - Department wide 2009

Performance Dashboard Appraisal - Section A

Section A. Performance Metrics

Performance Cycle Date:			
Name:		Unit/Section:	
Classification/Title:		Supervisor's Name:	

NCDOT Goals: (1) Make our transportation network **safer**. (2) Make our transportation network move people and goods **more efficiently**. (3) Make our infrastructure **last longer**. (4) Make our organization a place that **works well**. (5) Make our organization a **great place** to work.

Enter NCDOT Goal (1-5 above)	Performance Metrics (Results Expectations)			Progress Reviews			Year End		
	Measure	Target	% Weight	Review Date: _____	Review Date: _____	Review Date: _____	Actual Results	Number Rating *1, 2, 3	Weighted Rating % Weight x No. Rating
1	Crash Rates	238-230	5						
2	Reliability of Strategic Highway Corridor and Regional Tier Routes	TBD	0						
3	Division Infrastructure Health	C- to C	40						
4	Projects/Programs/Services on Schedule and on Budget	70-89%	40						
4	Customer Service	70-89%	5						
4	Fiscal Management	90-95%	5						
5	Employee Safety	6.1-7	5						
5	Employee Satisfaction	TBD	0						
5	Retaining, Developing, and Retaining Employees	TBD	0						
Total % must = 100			100%	Combined Weighted Rating =					
				Sum of % weights that received a number rating of "1" at year end					

***Number Rating Key:**

- 1 = Does not meet expectations
- 2 = Meets expectations
- 3 = Exceeds expectations

Beginning of performance cycle: Signatures indicate supervisor and employee have discussed performance metrics, NCDOT values and leadership competencies.

Supervisor's signature:		Title:		Date:	
Employee's signature:		Date:			

Performance Dashboard Appraisal - Section B

Section B. NCDOT Values

Supervisor's Instructions:

At the end of the performance cycle, check "YES" or "NO" as to whether the employee adhered to each value during the performance cycle. If "NO" is checked, a description of the non-adherence must be provided in the "Comments" column.

Values (Behavioral Expectations)	Adhered to Value?		Supervisor's Comments
	YES	NO	
<u>Safety:</u> We strive for safety throughout our transportation networks as well as in our work and our daily lives.	<input type="checkbox"/>	<input type="checkbox"/>	
<u>Customer Service:</u> We respond to our customers, both internal and external, in an open, professional and timely manner.	<input type="checkbox"/>	<input type="checkbox"/>	
<u>Integrity:</u> We earn and maintain trust by responsibly managing the state's assets, acting ethically, and holding ourselves accountable for our actions.	<input type="checkbox"/>	<input type="checkbox"/>	
<u>Diversity:</u> We draw strength from our differences and work together in a spirit of teamwork and mutual respect.	<input type="checkbox"/>	<input type="checkbox"/>	
<u>Quality:</u> We pursue excellence in delivering our projects, programs, services and initiatives.	<input type="checkbox"/>	<input type="checkbox"/>	

Performance Dashboard Appraisal - Section C

Section C. Leadership Competencies

Supervisor's Instructions:

1. At the end of the performance cycle, rate each of the 9 competencies as to how effectively the employee demonstrated the competency during the performance cycle, using the rating key.
2. Check at least 3 of the 57 behaviors that may be considered as development opportunities for the employee.

Rating key: 1 = Needs Work 2 = Does Well 3 = Role Model 4 = Not observed 5 = Not applicable to the role			Check at least 3 Development Opportunities
Rating	Competencies	Behaviors	
	1. Self-Management		<input type="checkbox"/>
	2. Leading People		<input type="checkbox"/>
	3. Results Focus		<input type="checkbox"/>
	4. Strategic Focus		<input type="checkbox"/>
	5. Managing Change		<input type="checkbox"/>
	6. People Management		<input type="checkbox"/>
	7. Financial Management		<input type="checkbox"/>
	8. Collaboration/Planning		<input type="checkbox"/>
	9. Problem Solving/ Decision Making		<input type="checkbox"/>

- Leadership
- Supervisory
- Individual Contributor

Supervisor's Comments:

1. At the end of the performance cycle, provide comments concerning the employee's development progress during the performance cycle.

2. During the performance review, discuss with the employee the development opportunities checked. Development opportunities which are not listed above may also be addressed. Choose at least one development opportunity to focus on during the next performance cycle and consider preparing an Individual Development Plan.

Performance Dashboard Appraisal - Section D

Section D. Year-End Appraisal

1. Transfer the sum of % weights that received a number rating of "1" (from Section A):

If the sum of % weights is 50% or less, go to step 2.
If the sum of % weights receiving a rating of "1" exceeds 50%,
the employee's performance does not meet expectations.
Go to step 4 and check "Does Not Meet Expectations".

2. Transfer the Combined Weighted Rating (from Section A):

Weighted Rating Scale:

1.00-1.74 = Does not meet expectations

1.75-2.74 = Meets expectations

2.75-3.00 = Exceeds expectations

If the combined weighted rating is between 1.00-1.74, the employee's performance does not meet expectations.

Go to step 4 and check "Does Not Meet Expectations"

**"Meets Expectations"
Is a Good Thing!!!**

3. Describe serious non-adherence to NCDOT values (defined as unresolved disciplinary action) that warrants lowering the overall rating:

4. **OVERALL PERFORMANCE RATING:** Check the block that reflects the employee's overall performance rating, taking into account the sum of % weights in Step 1, the combined weighted rating in Step 2, and non-adherence to NCDOT values described in Step 3:

☐ Does Not Meet Expectations

☐ Meets Expectations

☐ Exceeds Expectations

Supervisor's comments concerning the employee's overall performance:

5. Next Level Supervisor Review: Signature indicates the next level supervisor has reviewed and agrees with the employee's overall performance rating:

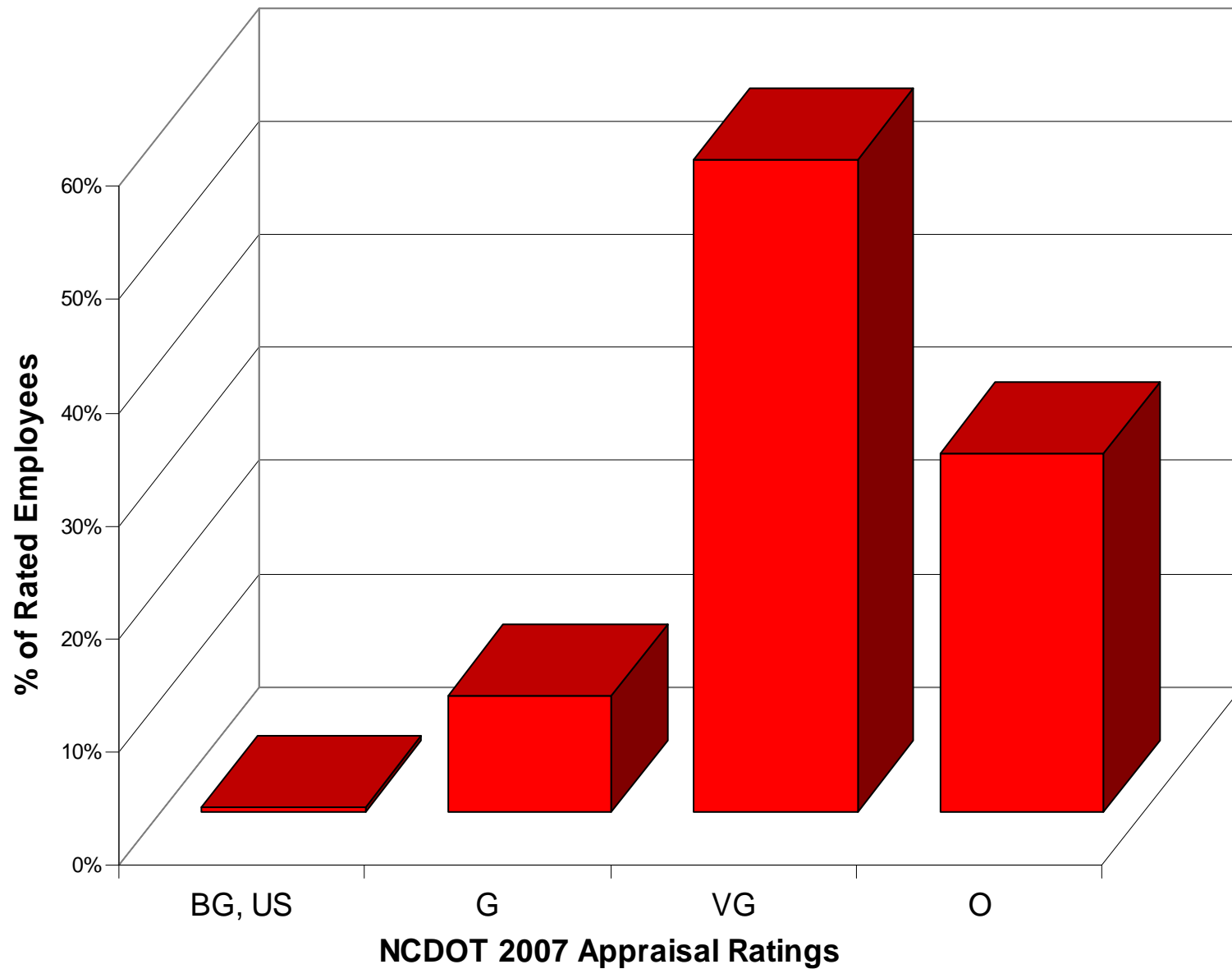
Next Level Supervisor's Signature:		Title:		Date:	
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6. Signatures indicate the supervisor and employee have discussed the year-end appraisal:

Supervisor's Signature:		Title:		Date:	
Employee's Signature		Date:			
Employee's Comments:					

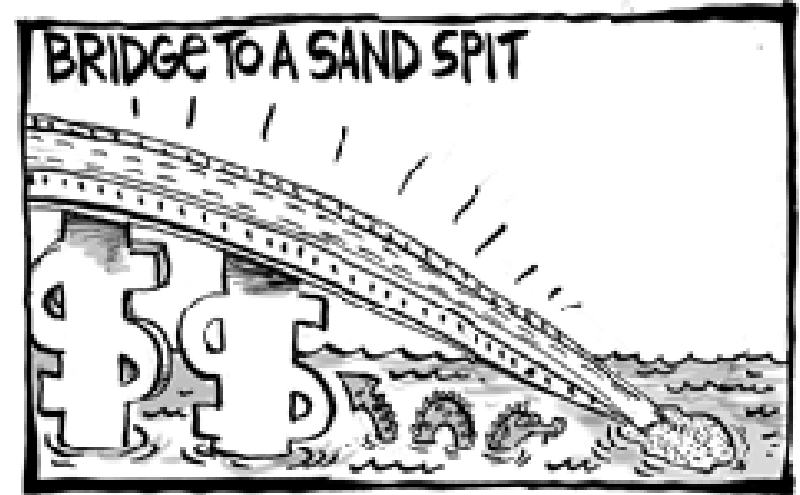
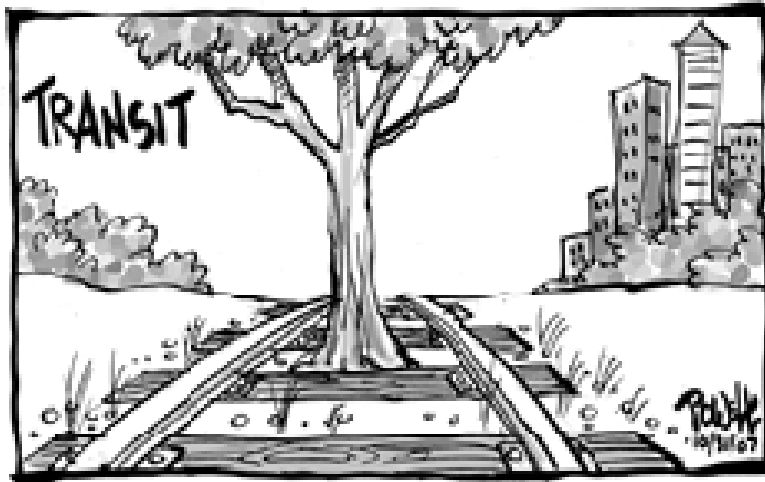
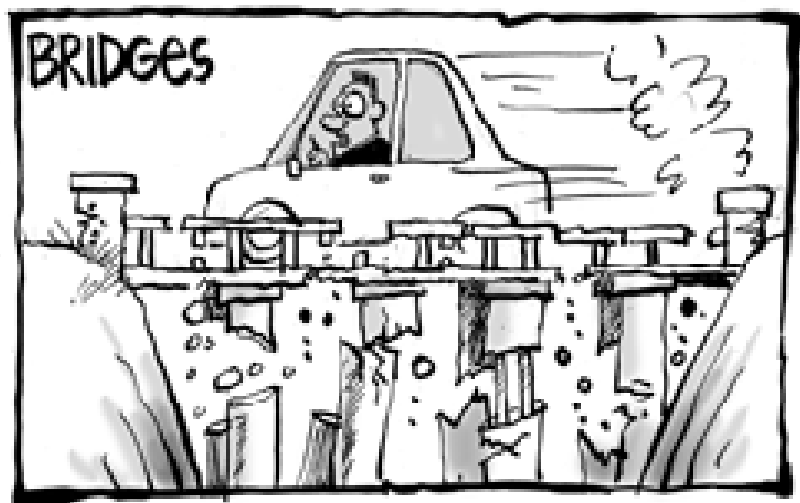
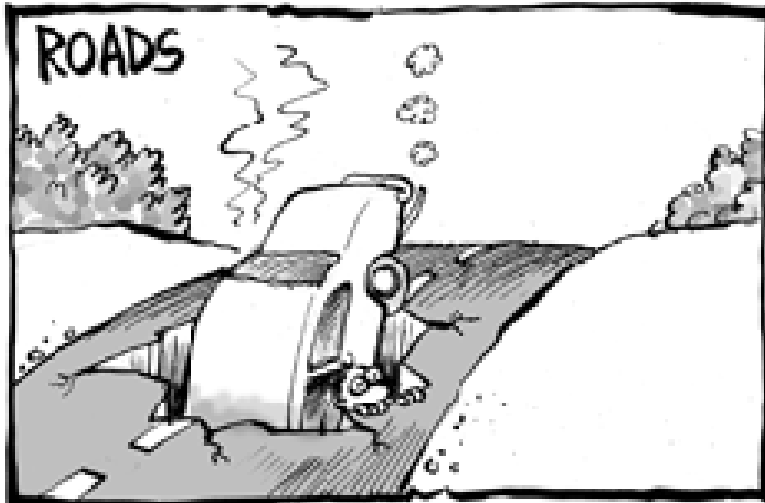
Within 15 days of the date the employee signs this appraisal, the employee may have the right to appeal the overall performance rating through the Department's Performance Pay Dispute Resolution Procedures.

How We See Our Own Performance



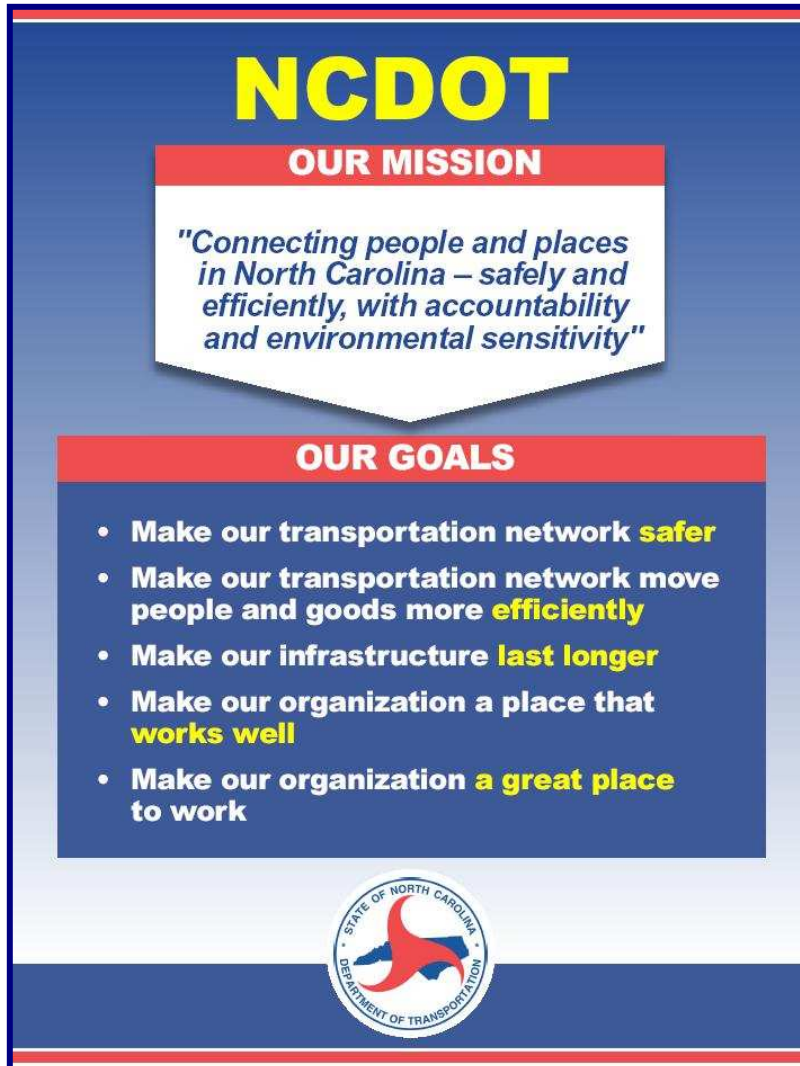
How Our Customers See Our Performance

N.C. TRANSPORTATION NEEDS —



Dwane Powell, News & Observer,
October 31, 2007

It all comes back to....



- Working together for a common purpose
- Planning and prioritizing our work
- Delivering our projects & programs effectively
- Measuring our performance
- Developing our employees

Fulfilling our role of
“Connecting People and
Places in North Carolina”